

AmeriChoice

July 15, 2009

STATEMENT OF ACTUARIAL OPINION

Statutory Quarterly Statement of United Healthcare Plan of the River Valley, Inc. Medicaid Risk Business in Eastern Tennessee As of and for the Period Ended June 30, 2009

I, Jed L. Linfield, am a Member of the American Academy of Actuaries (Academy) and Director of Actuarial Reserving Services for United Healthcare Plan of the River Valley, Inc.'s Medicaid plans. I meet the Academy qualification standards for rendering this statement of actuarial opinion.

This statement is for United Healthcare Plan of the River Valley, Inc.'s Medicaid risk business in Eastern Tennessee, which had approximately 175,000 members in June 2009. This business became effective January 1, 2009.

I have examined the actuarial assumptions and methods used in determining the loss reserves listed below, as prepared for filing with regulatory officials as of June 30, 2009.

I have determined that the appropriate level for claims liability for this block of business is \$53,123,500.

Note that in the annual statement, both Medicaid and non-Medicaid business is combined.

I have relied upon information supplied by responsible officers of employees of United Healthcare Plan of the River Valley, Inc. as to the accuracy and completeness of listings and summaries of policies and contracts in force and other information underlying the loss reserves. A data reliance letter is enclosed. In other respects, my examination included such review of the actuarial assumptions and actuarial methods and such test of actuarial calculations as I considered necessary in the circumstances. My examination considered the need for cash flow testing, but none was performed because such tests were determined to be unnecessary. The cash flows associated with United Healthcare Plan of the River Valley, Inc.'s products and investments are believed to be relatively insensitive to influences such as changes in economic conditions.

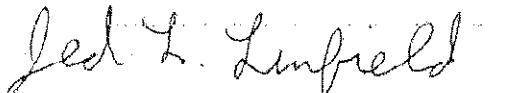
In my opinion the amounts carried in the balance sheet on account of the actuarial items identified above:

- a) Are computed in accordance with presently accepted actuarial standards consistently applied and are fairly stated in accordance with sound actuarial principles;
- b) Are based on actuarial assumptions which are in accordance with or stronger than those called for in related contract provisions and are appropriate for the purpose for which the statement was prepared;
- c) Meet the requirements of the laws of the State of Tennessee;
- d) Make good and sufficient provision for all unpaid claims and other actuarial liabilities of the organization guaranteed under the terms of its contracts and agreements;
- e) Are computed on the basis of actuarial assumptions and methods consistent in all material respects with those used in computing the corresponding items in the annual statement of the preceding year-end; and
- f) Include provision, in the aggregate, for all actuarial reserves and related statement items which ought to be established.

The actuarial methods, considerations and analyses used in forming my opinion conform to the appropriate Standards of Practice as promulgated from time to time by the Actuarial Standards Board, whose standards form the basis of this statement of opinion.

This statement has been prepared for inclusion with United Healthcare Plan of the River Valley, Inc.'s statutory quarterly statement for filing with regulatory authorities of the State of Tennessee and is intended for no other purpose.

July 15, 2009



Jed L. Linfield
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Member, American Academy of Actuaries
AmeriChoice of New Jersey
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Reston, VA 20191
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July 15, 2009

I, Christopher R. Otley, am employed by AmeriChoice as Senior Director, Medical Economics, Corporate Finance. I hereby affirm that the listings, summaries, and analyses relating to data for Medicaid business, prepared for and submitted to Jed L. Linfield, FSA, MAAA in support of his actuarial opinion for United Healthcare Plan of the River Valley, Inc.'s Medicaid risk business in Eastern Tennessee, as of June 30, 2009, were prepared under my direction and, to the best of my knowledge and belief, are substantially accurate and complete and the same as, or derived from, the records and other data which form the basis of the quarterly statement for the quarter ended June 30, 2009.

A handwritten signature in black ink, appearing to read "Christopher R. Otley".

Christopher R. Otley
Senior Director
Medical Economics, Corporate Finance
(571) 262-8945

Medical Loss Ratio Report - Total
Grand Region - East MCO

Americhoice	Reporting Month	2009	For the Year Ended
		Incurring Month	June
Enrollment	January	171,082	63,020,609
	February	167,435	
	March	168,235	
	April	169,474	
	May	169,625	
	June	174,538	
Capitation Revenue	\$35,921,746	\$34,681,606	\$34,642,574
			\$34,538,750
			\$35,319,509
			\$209,721,312
Payments for Covered Services for the Month			
Medical Services			
CMS 1450/1B 92 Payments by the Claims Processing System			
Inpatient - Maternity	800,959	614,769	680,537
Inpatient - Newborn	379,967	351,798	345,416
Inpatient - Medical	2,601,327	1,539,024	1,469,615
Inpatient - Surgery	2,719,676	\$2,658,709	\$2,597,604
Inpatient - Other	135,235	148,914	77,989
Outpatient - Emergency Room	3,584,893	3,516,716	3,962,038
Outpatient - Laboratory	248,833	206,791	255,539
Outpatient - Radiology	1,291,840	1,248,772	1,365,365
Outpatient - Surgery	2,094,359	1,830,977	2,015,891
Outpatient - Other			
CMS 1500 Payments by the Claims Processing System			
Prof - E&M	3,901,048	3,958,676	4,314,743
Prof - Maternity	387,163	302,966	368,057
Prof - Surgery	982,648	975,320	1,075,155
Prof - DME	507,250	46,7188	542,924
Prof - Lab	636,135	609,335	691,967
Prof - Radiology	648,779	653,720	735,608
Prof - Transportation	981,083	854,483	830,383
Prof - Other	4,710,581	4,025,597	4,265,909
Capitation Payments	89,722	88,463	94,631
Subcontractor Payments for Medical Services			
Other - Medical (Vision)	45,630	58,663	81,625
Behavioral Health			
Inpatient Payments by the Claims Processing System	1,418,236	1,203,778	1,187,008
Outpatient Payments by the Claims Processing System	977,966	1,035,677	1,104,086
Supported Housing Payments by the Claims Processing System	354,801	322,045	389,224
Intensive Outpatient Payments by the Claims Processing System	57,530	58,835	68,570
Partial Hospitalization Payments by the Claims Processing System	14,989	17,859	13,413
In Home Payments by the Claims Processing System			
Transportation Payments by the Claims Processing System			
Twenty-Three Hour Payments by the Claims Processing System			
CMSA Capitation Payments			
Other Capitation Payments			
Grant Payments			
Non-FFS Inpatient			
Subcontractor Payments for Mental Health and Substance Abuse Services			
Crisis Services Team Pass Through			
Less:			
Total Payments	30,635,100	\$27,167,805	\$29,059,273
Remaining IBNR	1,322,979	172,752	172,866
Payments and Remaining IBNR			
Medical Loss Ratio			
Per Member Expense	\$184,95	\$74,23	\$193,89
			\$190,33
			\$204,43
			\$194,63
			\$190,45

Note: The 2009 MLC report was submitted on 1/1/2010. Americhoice membership and claims data were as of 12/31/2009. This report reflects revenue in the month of February with all retroactive to the end of January. The MLC all reflected by incurred date.

Notes:

(1) Beginning February 2009, Americhoice membership and claims data were as of 12/31/2009. This report reflects revenue in the month of February with all retroactive to the end of January. The MLC all reflected by incurred date.

(2) The 2009 MLC report was submitted on 1/1/2010. Americhoice membership and claims data were as of 12/31/2009. This report reflects revenue in the month of February with all retroactive to the end of January. The MLC all reflected by incurred date.

Medical Loss Ratio Report - Base Capitation Only

Grand Region - East

MCO

Americhoice	Reporting Month
	Jun-09

	2009						For the Year Ended
	January	February	March	April	May	June	6/30/2009
Enrollment	171,082	167,455	168,235	169,474	169,625	174,538	1,020,409
Capitation Revenue (For base capitation only)	\$33,023,346	\$32,083,600	\$32,033,640	\$32,054,431	\$31,678,330	\$32,871,404	\$193,744,831
Payments for Covered Services for the Month							
Medical Services							
CMS 450/B 92 Payments by the Claims Processing System							
Inpatient - Maternity	800,959	614,769	680,537	671,286	513,536	12,797	\$3,293,883
Inpatient - Newborn	379,967	351,798	347,416	345,457	186,120	4,582	\$1,613,340
Inpatient - Medical	2,601,327	1,539,024	1,468,615	911,609	763,549	13,161	\$7,298,285
Inpatient - Surgery	3,719,676	2,638,709	2,597,604	2,200,862	1,176,924	7,294	\$12,341,060
Inpatient - Other	135,235	148,914	77,989	99,484	45,988	-	\$507,610
Outpatient - Emergency Room	3,584,893	3,167,716	3,962,038	3,318,868	3,218,778	241,504	\$17,842,797
Outpatient - Laboratory	234,833	236,691	255,539	214,166	5163,275	\$58,508	\$1,123,611
Outpatient - Radiology	1,291,840	1,248,772	\$1,365,365	\$1,393,244	\$1,056,563	\$251,130	\$6,606,414
Outpatient - Surgery	2,094,359	\$1,830,077	\$2,015,891	\$2,256,197	\$1,606,970	\$161,799	\$9,945,293
Outpatient - Other							
CMS 500 Payments by the Claims Processing System							
Prof - E&M	3,901,048	\$3,058,676	\$4,314,743	\$4,049,680	\$3,532,742	\$1,443,354	\$21,192,242
Prof - Maternity	387,163	\$302,396	\$368,057	\$381,118	\$304,246	\$143,012	\$1,885,995
Prof - Surgery	982,648	\$975,320	\$1,075,155	\$1,193,265	\$968,302	\$365,131	\$5,560,020
Prof - DME	307,250	\$467,188	\$542,924	\$547,031	\$374,949	\$159,554	\$2,598,896
Prof - Lab	636,135	\$609,535	\$691,867	\$668,372	\$542,137	\$244,780	\$3,392,926
Prof - Radiology	648,779	\$653,720	\$735,608	\$730,592	\$639,718	\$341,136	\$3,749,533
Prof - Transportation	981,083	\$654,483	\$830,853	\$631,395	\$431,533	\$17,994	\$3,779,341
Prof - Other	4,710,581	\$4,025,597	\$4,165,069	\$4,276,810	\$3,353,978	\$886,164	\$21,617,239
Capitation Payments	\$89,722	\$88,463	\$94,631	\$89,912	\$90,321	104,396	\$557,445
Subcontractor Payments for Medical Services							
Other Medical (vision)	\$45,630	\$558,603	\$81,635	\$90,971	\$70,103	88,529	\$435,461
Behavioral Health (Excluding payments on behalf of priority enrollees)							
Inpatient Payments by the Claims Processing System	\$447,664	\$127,594	\$428,247	\$459,248	\$427,631	\$35,833	\$2,221,217
Outpatient Payments by the Claims Processing System	\$239,127	\$267,996	\$312,348	\$329,962	\$311,562	\$137,265	\$1,589,413
Supported Housing Payments by the Claims Processing System	\$37,565	\$25,360	\$25,808	\$25,034	\$31,962	\$1,102	\$146,831
Inensive Outpatient Payments by the Claims Processing System	\$30,490	\$18,400	\$41,345	\$40,665	\$23,820	\$5,505	\$180,225
Partial Hospitalization Payments by the Claims Processing System	\$8,089	\$13,339	\$7,105	\$7,606	\$8,960	\$570	\$46,259
In Home Payments by the Claims Processing System							
Transportation Payments by the Claims Processing System	\$307				56		\$313
Twenty-Three Hour Payments by the Claims Processing System							
CMHA Capitation Payments							
Other Capitation Payments	\$27,540	\$27,540	\$26,997	\$27,989	\$27,920	\$30,210	\$168,197
Grant Payments							
Non-PFS Impatiation							
Subcontractor Payments for Mental Health and Substance Abuse Services							
Crisis Services (from First Through Last)	\$14,544,461	\$15,544	\$45,544	\$43,649	\$47,840	\$45,978	\$111,876
Less:							
Recoveries not Reflected in Claims Payments							
Total Payments	28,564,402	24,935,765	26,757,879	24,974,584	19,903,507	4,803,944	\$129,940,081
Remaining FBS	655,390	1,721,455	2,968,73	4,374,494	11,842,500	26,648,935	\$6,163,636
Payments and Remaining BNR	29,172,182	26,657,220	29,726,552	31,452,878	31,746,006	\$178,103,717	\$3,325,454
Medical Loss Ratio Payments	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000
Per Member Expense	\$170,521	\$159,19	\$176,718	\$173,18	\$187,15	\$180,21	\$174,54

On January 1, 2009, Americhoice membership and Capitation revenue are reported on a risk adjusted basis based on the 820 payment file from January 2009 to current reporting month. Payment file for January 2009 includes 10,720 members.

Note:

1. On January 1, 2009, Americhoice membership and Capitation revenue are reported on a risk adjusted basis based on the 820 payment file from January 2009 to current reporting month. This revenue is reflected in the 2009 financial statements.

2. On January 1, 2009, Americhoice membership and Capitation revenue are reported on a risk adjusted basis based on the 820 payment file from January 2009 to current reporting month. This revenue is reflected in the 2009 financial statements.

Medical Loss Ratio Report - Priority Add-On Only
Grand Region - East
MCO

Americhoice

Reporting Month

Jun-09

	2009			For the Year Ended		
	January	February	March	April	May	June
Enrollment (For Priority Enrollees Only)	12,659	11,938	11,557	11,280	10,946	10,693
Capitation Revenue (Priority add-on payment only)	2,898,400	2,753,438	2,647,966	2,588,123	2,660,430	2,448,105
Payments for Covered Services for the Month						
Medical Services CMS 1450UB 92 Payments by the Claims Processing System						
Inpatient - Maternity						
Inpatient - Newborn						
Inpatient - Medical						
Inpatient - Surgery						
Inpatient - Other						
Outpatient - Emergency Room						
Outpatient - Laboratory						
Outpatient - Radiology						
Outpatient - Surgery						
Outpatient - Other						
CMS 1500 Payments by the Claims Processing System						
Prof - E&M						
Prof - Maternity						
Prof - Surgery						
Prof - DME						
Prof - Lab						
Prof - Radiology						
Prof - Transportation						
Prof - Other						
Capitation Payments						
Subcontractor Payments for Medical Services						
Other Medical (Vision)						
Behavioral Health (On behalf of Priority enrollees only)						
Inpatient Payments by the Claims Processing System	\$975,572	\$776,184	\$758,761	\$662,653	\$573,922	\$31,251
Outpatient Payments by the Claims Processing System	\$738,839	\$767,681	\$791,738	\$784,554	\$802,566	\$87,992
Supported Housing Payments by the Claims Processing System	\$317,236	\$296,686	\$363,316	\$339,185	\$266,688	\$33,814
Intensive Outpatient Payments by the Claims Processing System	\$27,040	\$30,435	\$27,225	\$16,210	\$17,205	\$605
Partial Hospitalization Payments by the Claims Processing System	\$6,900	\$4,020	\$6,308	\$900	\$5,224	\$23,352
In Home Payments by the Claims Processing System						
Transportation Payments by the Claims Processing System						
Twenty Three Hour Payments by the Claims Processing System	\$450					
CMHA Capitation Payments						
Other Capitation Payments	\$77,176	\$77,176	\$75,653	\$78,432	\$78,240	\$84,658
Senior Payments						
Non-EPSI Inpatient						
Subcontractor Payments for Mental Health and Substance Abuse Services	\$162,540	\$150,990	\$150,990	\$196,140	\$165,160	\$825,720
Other Services/Thru Pass Through	\$162,540	\$127,318	\$127,402	\$122,374	\$134,260	\$576,784
Less:						
Recoveries not Reflected in Claims Payments						
Total Payments	2,270,668	2,222,040	2,301,394	2,155,651	\$1,781,511	\$534,098
Remaining IBNR	\$189,384	\$287,056	\$391,504	\$750,561	\$1,148,551	\$4,959,844
Payments and Remaining IBNR	\$2,470,082	\$2,519,096	\$2,892,898	\$2,906,313	\$2,930,062	\$16,255,257
Per Member	\$195.12	\$211.01	\$230.32	\$257.64	\$267.68	\$235.04

Report Period: January 1, 2009 - June 30, 2009
 Reporting Period: January 1, 2009 - February 28, 2009. AmeriChoice membership and Capitation reclassification resulted in a slight change in the month of payment with all payments for the month of February 2009 being paid in March 2009.

Report Date: May 29, 2009
 Report Type: Fund Monitoring Report/Caremark Fund Monitoring Report/REVISED

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Medical Loss Ratio Report - Priority Add-On Only
Grand Region - East **MCO**

Americhoice		Reporting Month						For the Year Ended			
		2009						Incurred Month	April	May	June
		Jun-09	January	February	March	April	May	June	6/30/2009		

2) \$2.5M in additional earned reinsurance revenue (related to 10,720 members) has been accrued for current and prior periods and is expected for payment in July. This revenue is reflected in the MLR affected by incurred date.

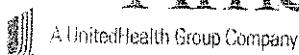
Month Paid by the Claims System

		Total	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10
1,223,299	Jan-09	1,223,299	1,223,299																	
7,532,860	Feb-09	7,532,860	6,416,390	1,116,470																
11,458,380	Mar-09	11,458,380	3,536,034	7,177,016	745,334															
12,704,836	Apr-09	12,704,836	1,866,727	2,212,412	8,190,963	3,947,723														
15,273,194	May-09	15,273,184	868,179	1,075,320	3,067,330	9,369,712	1,188,742													
0	Jun-09	0																		
0	Jul-09	0																		
0	Aug-09	0																		
0	Sep-09	0																		
0	Oct-09	0																		
0	Nov-09	0																		
0	Dec-09	0																		
0	Jan-10	0																		
0	Feb-10	0																		
0	Mar-10	0																		
0	Apr-10	0																		
0	May-10	0																		
0	Jun-10	0																		
Totals		48,192,498	13,850,566	11,585,219	12,004,432	9,654,440	1,188,142	0												
FY 10		0																		
FY 09		48,192,498																		

Totals
FY 10 0
FY 09 48,192,498

Month	CMS1500 Paid by the Claims System	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10
3,205,745	Jan-09	3,205,715	3,205,715																
9,152,631	Feb-09	9,152,631	5,831,064	3,321,567															
11,216,644	Mar-09	11,216,644	2,154,786	5,576,873	3,484,984														
12,105,513	Apr-09	12,105,513	937,838	1,780,041	6,453,918	2,953,717													
15,401,091	May-09	15,401,091	487,212	884,609	2,351,198	7,945,237	3,732,335												
0	Jun-09	0																	
0	Jul-09	0																	
0	Aug-09	0																	
0	Sep-09	0																	
0	Oct-09	0																	
0	Nov-09	0																	
0	Dec-09	0																	
0	Jan-10	0																	
0	Feb-10	0																	
0	Mar-10	0																	
0	Apr-10	0																	
0	May-10	0																	
0	Jun-10	0																	
Totals		51,081,593	12,616,616	11,563,090	12,270,100	10,898,954	3,732,335												
FY 10		0																	
FY 09		51,081,593																	

	51,081,593	12,616,616	11,563,090	12,270,100	10,898,954	3,732,335	0	0	0	0	0	0	0	0	0	0	0	0



AmeriChoice

July 15, 2009

STATEMENT OF ACTUARIAL OPINION

Statutory Quarterly Statement of United Healthcare Plan of the River Valley, Inc.
Medicaid non-Risk Business in Tennessee
As of and for the Period Ended June 30, 2009

I, Jed L. Linfield, am a Member of the American Academy of Actuaries (Academy) and Director of Actuarial Reserving Services for United Healthcare Plan of the River Valley, Inc.'s Medicaid plans. I meet the Academy qualification standards for rendering this statement of actuarial opinion.

This statement is for United Healthcare Plan of the River Valley, Inc.'s Medicaid non-risk business in Tennessee, which had zero members effective January 1, 2009.

I have examined the actuarial assumptions and methods used in determining the loss reserves listed below, as prepared for filing with regulatory officials as of June 30, 2009.

I have determined that the appropriate level for claims liability for this block of business is \$5,159,524.

Note that in the annual statement, both Medicaid and non-Medicaid business is combined.

I have relied upon information supplied by responsible officers of employees of United Healthcare Plan of the River Valley, Inc. as to the accuracy and completeness of listings and summaries of policies and contracts in force and other information underlying the loss reserves. A data reliance letter is enclosed. In other respects, my examination included such review of the actuarial assumptions and actuarial methods and such test of actuarial calculations as I considered necessary in the circumstances. My examination considered the need for cash flow testing, but none was performed because such tests were determined to be unnecessary. The cash flows associated with United Healthcare Plan of the River Valley, Inc.'s products and investments are believed to be relatively insensitive to influences such as changes in economic conditions.

In my opinion the amounts carried in the balance sheet on account of the actuarial items identified above:

- a) Are computed in accordance with presently accepted actuarial standards consistently applied and are fairly stated in accordance with sound actuarial principles;
- b) Are based on actuarial assumptions which are in accordance with or stronger than those called for in related contract provisions and are appropriate for the purpose for which the statement was prepared;
- c) Meet the requirements of the laws of the State of Tennessee;
- d) Make good and sufficient provision for all unpaid claims and other actuarial liabilities of the organization guaranteed under the terms of its contracts and agreements;
- e) Are computed on the basis of actuarial assumptions and methods consistent in all material respects with those used in computing the corresponding items in the annual statement of the preceding year-end; and
- f) Include provision, in the aggregate, for all actuarial reserves and related statement items which ought to be established.

The actuarial methods, considerations and analyses used in forming my opinion conform to the appropriate Standards of Practice as promulgated from time to time by the Actuarial Standards Board, whose standards form the basis of this statement of opinion.

This statement has been prepared for inclusion with United Healthcare Plan of the River Valley, Inc.'s statutory quarterly statement for filing with regulatory authorities of the State of Tennessee and is intended for no other purpose.

July 15, 2009

Jed L. Linfield

Jed L. Linfield
Fellow, Society of Actuaries
Member, American Academy of Actuaries
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A UnitedHealth Group Company

AmeriChoice

July 15, 2009

I, Christopher R. Otley, am employed by AmeriChoice as Senior Director, Medical Economics, Corporate Finance. I hereby affirm that the listings, summaries, and analyses relating to data for Medicaid business, prepared for and submitted to Jed L. Linfield, FSA, MAAA in support of his actuarial opinion for United Healthcare Plan of the River Valley, Inc.'s Medicaid non-risk business in Eastern Tennessee, as of June 30, 2009, were prepared under my direction and, to the best of my knowledge and belief, are substantially accurate and complete and the same as, or derived from, the records and other data which form the basis of the quarterly statement for the quarter ended June 30, 2009. Note that this block of business had zero members as of January 1, 2009.

Christopher R. Otley
Senior Director
Medical Economics, Corporate Finance
(571) 262-8945

Medical Services Budget Target Results
NCPA Reference: Section 3-10-i; 3-10-j,3(a) and 3-10-l,4

Per Member Expense

Per Member Month Exp. For Quarter

Per Member Month Exp. For Quarter in Prior Yr

Per Member Month Exp. For two Years Prior

Percent Change

Medical Services Budget for Current Year Quar

Medieval Services Programs 101

(Over)/Under Budget

Medical Services Budget Target Results
CRA Reference: Section 3-10.j, 3-10.i, 3(a) and

Medical Services Budget Target Results
CRA Reference: Section 3-10.j, 3-10.i.3(a) and

Medical Services Budget Target Results
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Medical Services Budget Target Results CBA Reference: Section 3-10.j, 3-10.i.3(a) and

Medical Services Budget Target Results
RA Reference: Section 3-10.j, 3-10.i.3(a) and 3-10.i.3(b)

UB92 Claims Tracing

Dec-08

Jul-02

Aug-02

Sep-02

Oct-02

Nov-02

Dec-02

Jan-03

Feb-03

Mar-03

Apr-03

May-03

Jun-03

Jul-03

Aug-03

Sep-03

Oct-03

Nov-03

Dec-03

Jan-04

Feb-04

Mar-04

Apr-04

May-04

Jun-04

Jul-04

Aug-04

Sep-04

Oct-04

Nov-04

Dec-04

Jan-05

Feb-05

Mar-05

Apr-05

May-05

Jun-05

Jul-05

Aug-05

Sep-05

Oct-05

Nov-05

Dec-05

Jan-06

Feb-06

Mar-06

Apr-06

May-06

Jun-06

Jul-06

Aug-06

Sep-06

Oct-06

Nov-06

Dec-06

Jan-07

Feb-07

Mar-07

Apr-07

May-07

Jun-07

Totals

1,112,565

9,997,132



July 15, 2009

STATEMENT OF ACTUARIAL OPINION

Statutory Quarterly Statement of United Healthcare Plan of the River Valley, Inc.
Medicaid Risk Business in Western Tennessee
As of and for the Period Ended June 30, 2009

I, Jed L. Linfield, am a Member of the American Academy of Actuaries (Academy) and Director of Actuarial Reserving Services for United Healthcare Plan of the River Valley, Inc.'s Medicaid plans. I meet the Academy qualification standards for rendering this statement of actuarial opinion.

This statement is for United Healthcare Plan of the River Valley, Inc.'s Medicaid risk business in Western Tennessee, which had approximately 164,000 members in June 2009. This business became effective November 1, 2008.

I have examined the actuarial assumptions and methods used in determining the loss reserves listed below, as prepared for filing with regulatory officials as of June 30, 2009.

I have determined that the appropriate level for claims liability for this block of business is \$58,631,856.

Note that in the annual statement, both Medicaid and non-Medicaid business is combined.

I have relied upon information supplied by responsible officers of employees of United Healthcare Plan of the River Valley, Inc. as to the accuracy and completeness of listings and summaries of policies and contracts in force and other information underlying the loss reserves. A data reliance letter is enclosed. In other respects, my examination included such review of the actuarial assumptions and actuarial methods and such test of actuarial calculations as I considered necessary in the circumstances. My examination considered the need for cash flow testing, but none was performed because such tests were determined to be unnecessary. The cash flows associated with United Healthcare Plan of the River Valley, Inc.'s products and investments are believed to be relatively insensitive to influences such as changes in economic conditions.

In my opinion the amounts carried in the balance sheet on account of the actuarial items identified above:

- a) Are computed in accordance with presently accepted actuarial standards consistently applied and are fairly stated in accordance with sound actuarial principles;
- b) Are based on actuarial assumptions which are in accordance with or stronger than those called for in related contract provisions and are appropriate for the purpose for which the statement was prepared;
- c) Meet the requirements of the laws of the State of Tennessee;
- d) Make good and sufficient provision for all unpaid claims and other actuarial liabilities of the organization guaranteed under the terms of its contracts and agreements;
- e) Are computed on the basis of actuarial assumptions and methods consistent in all material respects with those used in computing the corresponding items in the annual statement of the preceding year-end; and
- f) Include provision, in the aggregate, for all actuarial reserves and related statement items which ought to be established.

The actuarial methods, considerations and analyses used in forming my opinion conform to the appropriate Standards of Practice as promulgated from time to time by the Actuarial Standards Board, whose standards form the basis of this statement of opinion.

This statement has been prepared for inclusion with United Healthcare Plan of the River Valley, Inc.'s statutory quarterly statement for filing with regulatory authorities of the State of Tennessee and is intended for no other purpose.

July 15, 2009

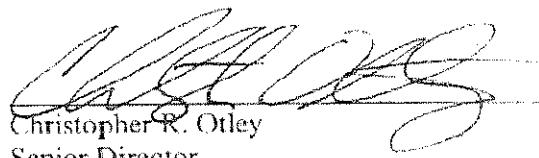


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July 15, 2009

I, Christopher R. Otley, am employed by AmeriChoice as Senior Director, Medical Economics, Corporate Finance. I hereby affirm that the listings, summaries, and analyses relating to data for Medicaid business, prepared for and submitted to Jed L. Linfield, FSA, MAAA in support of his actuarial opinion for United Healthcare Plan of the River Valley, Inc.'s Medicaid risk business in Western Tennessee, as of June 30, 2009, were prepared under my direction and, to the best of my knowledge and belief, are substantially accurate and complete and the same as, or derived from, the records and other data which form the basis of the quarterly statement for the quarter ended June 30, 2009.



Christopher R. Otley
Senior Director
Medical Economics, Corporate Finance
(571) 262-8945

Medical Loss Ratio Report - Total
Grand Region - West
MCO

Americhoice
Reporting Month
Jun-09

Enrollment

Capitation Revenue

Payments for Covered Services for the Month

Medical Services

CMS 1450/UB 92 Payments by the Claims Processing System

Inpatient - Maternity

Inpatient - Newborn

Inpatient - Medical

Inpatient - Surgery

Inpatient Other

Outpatient - Emergency Room

Outpatient - Laboratory

Outpatient - Radiology

Outpatient - Surgery

Outpatient - Other

CMS 1500 Payments by the Claims Processing System

Prof - Maternity

Prof - Surgery

Prof - DME

Prof - Lab

Prof - Radiology

Prof - Transportation

Prof - Other

Capitation Payments

Subcontractor Payments for Medical Services

Other Medical (Vision)

Behavioral Health

Inpatient Payments by the Claims Processing System

Outpatient Payments by the Claims Processing System

Supported Housing Payments by the Claims Processing System

Intensive Outpatient Payments by the Claims Processing System

Partial Hospitalization Payments by the Claims Processing System

In Home Payments by the Claims Processing System

Transportation Payments by the Claims Processing System

Twenty-Three Hour Payments by the Claims Processing System

CMSHA Capitation Payments

Other Capitation Payments

Grant Payments

Non-FFS Inpatient

Subcontractor Payments for Mental Health and Substance Abuse Services

Crisis Services Team Pass Through

Less:

Recoveries not Reflected in Claims Payments

Total Payments

Remaining IBNR

Payments and Remaining IBNR

Medical Loss Ratio

Per Member Expense

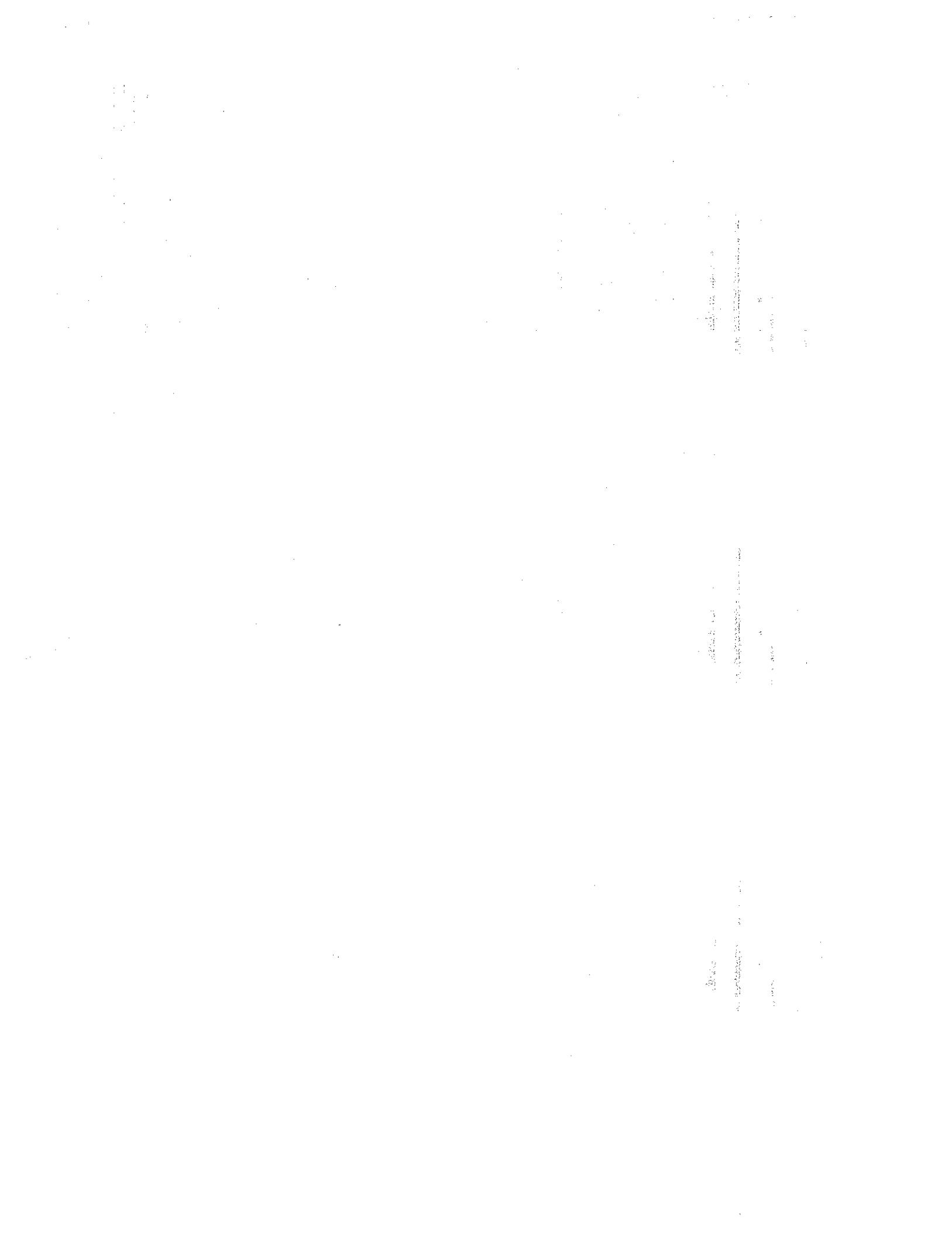
Notes:

Medical Loss Ratio Report - Base Capitation Only
Grand Region - West MCO

Reporting Month		2008		2009		For the Year Ended 6/30/2009
	Inurred Month	January	February	March	April	
Enrollment	1,731,138	163,212	161,558	160,176	160,496	160,594
Capitation Revenue (For base capitation only)	34,504,786	32,219,873	31,714,145	31,402,125	31,307,451	31,158,407
Payments for Covered Services for the Month						
Medical Services						
CMS 14501(B) Payments by the Claims Processing System	\$1,219,266	\$1,154,215	\$950,294	\$855,722	\$890,826	\$841,922
Inpatient - Maternity	\$543,883	\$531,829	\$506,814	\$465,972	\$491,354	\$416,880
Inpatient - Newborn	\$3,903,692	\$2,807,447	\$3,452,047	\$2,031,082	\$1,915,158	\$1,660,508
Inpatient - Medical	\$4,615,472	\$4,034,632	\$4,259,319	\$3,215,855	\$3,255,392	\$2,527,040
Inpatient - Surgery	\$88,523	\$83,260	\$77,745	\$21,682	\$1,322,352	\$1,304,477
Inpatient Other	\$3,620,603	\$3,324,876	\$3,511,206	\$3,151,891	\$3,450,288	\$3,046,552
Outpatient - Emergency Room	78,857	94,844	112,825	95,636	127,729	127,583
Outpatient - Laboratory	710,824	782,011	1,272,865	840,759	457,338	743,267
Outpatient - Radiology	739,332	946,587	1,084,276	1,293,236	1,309,330	1,243,537
Outpatient - Surgery	-	-	-	-	-	-
Outpatient - Other	-	-	-	-	-	-
CMS 1500 Payments by the Claims Processing System	3,109,725	3,250,473	3,766,083	3,259,361	3,441,646	3,362,163
Prof - E&M	366,397	362,735	350,664	362,548	381,272	377,559
Prof - Maternity	438,043	536,320	674,320	672,284	697,296	691,487
Prof - Surgery	261,083	263,393	303,796	343,698	324,031	342,782
Prof - DME	396,789	434,519	492,714	479,526	529,160	541,004
Prof - Lab	434,566	464,611	505,391	476,317	549,260	451,584
Prof - Radiology	1,028,699	951,751	921,307	948,344	1,043,082	949,205
Prof - Transportation	3,358,411	3,304,723	3,661,089	3,392,392	3,763,575	3,592,728
Prof - Other	194,749,66	252,495,49	273,866,00	264,594,00	260,450,00	266,594
Capitation Payments	-	-	-	-	-	-
Subcontractor Payments for Medical Services	-	-	-	-	-	-
Other Medical (vision)	-	75,359	\$1,01,988	\$102,689	\$117,406	\$108,590
Behavioral Health (excluding payments on behalf of priority enrollees)	-	-	-	-	-	-
Inpatient Payments by the Claims Processing System	\$4,42,634	\$510,426	\$623,492	\$796,136	\$652,207	\$602,169
Outpatient Payments by the Claims Processing System	\$106,509	\$144,893	\$146,045	\$178,637	\$169,676	\$221,345
Supportive Housing Payments by the Claims Processing System	\$4,718	\$7,610	\$8,722	\$7,103	\$12,531	\$11,001
Intensive Outpatient Payments by the Claims Processing System	\$6,5	\$3,770	\$5,170	\$3,215	\$5,605	\$5,125
Partial Hospitalization Payments by the Claims Processing System	\$240	\$980	\$5,760	\$2,880	\$3,240	\$1,800
In Home Payments by the Claims Processing System	-	-	-	-	-	-
Transportation Payments by the Claims Processing System	-	-	-	-	-	-
Twenty Three Hour Payments by the Claims Processing System	-	-	-	-	-	-
CMHA Capitation Payments	\$39,040	\$29,039	\$18,369	\$16,462	\$17,302	\$17,741
Other Capitation Payments	-	-	-	-	-	-
Grant Payments	-	-	-	-	-	-
Non-FFS Inpatient Subcontractor Payments for Mental Health and Substance Services Team Pass Through	\$10,563	\$40,563	\$26,902	\$22,421	\$25,173	\$21,828
Less:	-	-	-	-	-	-
Revenues not Reflected in Claims Payments	-	-	-	-	-	-
Total Payments	35,707,224	24,589,771	26,674,922	23,099,070	23,759,128	22,295,929
Payments and Remaining IBNR	387,249	1,495,925	1,239,306	2,495,081	3,813,283	5,424,238
Medical Loss Ratio	26,574,413	26,077,193	28,924,338	25,741,50	27,552,411	27,220,167
Per Premium Expense	\$153,49	80,449%	91,228%	81,44%	88,01%	88,97%

1) Beginning February 2009, AmeriChoice membership and Capitation revenue are reported on a revised basis as reflected on the 820 payment file from November 2008 to current reporting month. Please note that MLR submissions prior to February 2009 reported revenue in the month of payment with all retroactive in the current month.

2) Payments for Other Medical (Vision) were restated in December 2008 in order to allocate the expense between Middle and West regions.



Medical Loss Ratio Report - Priority Add-On Only
Grand Region - West

MCO

AmericaChoice	Reporting Month	2008	2009	Inured Month	Inured Month	Inured Month	Inured Month	For the Year Ended
	Jun-09	December	January	February	March	April	May	6/30/2009
Enrollment (For Priority Enrollees Only)		18,556	10,812	10,870	10,596	10,538	10,340	9,935
Capitation Revenue (Priority add-on payment only)		2,565,200	2,628,006	2,641,809	2,599,553	2,561,421	2,513,190	\$2,445,355.00
Payments for Covered Services for the Month								
Medical Services								
CMS 1450/1B: 92 Payments by the Claims Processing System								
Inpatient - Maternity								
Inpatient - Newborn								
Inpatient - Medical								
Inpatient - Surgery								
Inpatient Other								
Outpatient - Emergency Room								
Outpatient - Laboratory								
Outpatient - Radiology								
Outpatient - Surgery								
Outpatients - Other								
CMS 1500 Payments by the Claims Processing System								
Prof - E&M								
Prof - Maternity								
Prof - Surgery								
Prof - DME								
Prof - Lab								
Prof - Radiology								
Prof - Transportation								
Prof - Other								
Capitation Payments								
Subcontractor Payments for Medical Services								
Other Medical (Vision)								
Behavioral Health (On behalf of Priority enrollees only)								
Inpatient Payments by the Claims Processing System								
Outpatient Payments by the Claims Processing System								
Supported Payments by the Claims Processing System								
Intensive Outpatient Payments by the Claims Processing System								
Partial Hospitalization Payments by the Claims Processing System								
In Home Payments by the Claims Processing System								
Transportation Payments by the Claims Processing System								
Twenty-Three Hour Payments by the Claims Processing System								
CMHA Capitation Payments								
Other Capitation Payments								
Grant Payments								
Non-FTS Inpatient								
Subcontractor Payments for Mental Health and Substance Abuse Services								
Crisis Services Team Pass Through								
Less								
Recoveries not Reflected in Claims Payments								
Total Payments		\$2,576,957	\$2,576,957	\$2,174,578	\$2,698,079	\$2,727,213	\$1,580,696	\$249,164
Remaining IBNR		\$28,222	\$49,864	\$184,148	\$232,538	\$459,365	\$622,310	\$1,855,821
Payments and Remaining IBNR		\$2,565,180	\$2,995,781	\$3,296,738	\$3,407,587	\$3,148,444	\$3,415,542	\$3,407,588
Medical Loss Ratio		100.00%	113.99%	124.79%	131.08%	122.32%	133.38%	141.11%
Per Member Expenses		\$243,01	\$277,08	\$303,29	\$318,57	\$298,77	\$323,94	\$342,98

Notes:

1) Beginning February 2009, AmericaChoice reclassifies Capitation revenue are reported on a revised basis as reflected on the \$20 payment file. Prior to 2008 to current reporting month. Please note that MLR submissions prior to February 2009 reported revenue in the month of payment with all retroactivity in the current month.

2) Payment for Other Medical (Vision) services will be allocated to all categories between Middle and West regions.

Americhoice - West Tennessee
Reconciliation Between 2A and MLR Report
As of June 30, 2009

<u>Capitation Revenue</u>	<u>Revenue</u>
Revenue reported per MLR report	203,071,092
Restated revenue for prior months	3,090,874
	<u>206,161,966</u>
TennCare Capitation per 2A	206,161,966
Difference	(0)
<u>Claims & Reserve</u>	<u>Claims</u>
Paid claims per the 2A	174,265,694
Change in IBNR	826,461
Total 2A Paid Claims and Change in Reserves	175,092,155
Incurred Claims per the MLR for the reporting period	187,099,875
Restated prior year incurred claims	(12,007,721)
Adjusted MLR	175,092,154
Difference (rounding)	0

Medical Loss Ratio Report - Base Capitation Only
 Grand Region - Middle
MCO

Reporting Month	2007			2008			For the Year Ended 6/30/2008	
	Incurred Month			Incurred Month				
	April	May	June	July	August	September		
Jun-09								
6) Capitation Revenue line (MFR - Base) was updated to reflect the additional PDN settlement amounts of \$44,690,337.69 received in July and \$1,037,861.32 received in September. These settlements were paid by incurred date between April 2007 and 2008.								

Medical Loss Ratio Report - Base Capitation Only Grand Region - Middle

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Medical Loss Ratio Report - Priority Add-On Only
Grand Region - Middle MCO

Amenchoice

	Reporting Month			2007			2008			For the Year Ended 6/30/2008	
	April	Incurred Month		Incurred Month			Incurred Month				
		May	June	July	August	September	October	November	December		
Enrollment (For Priority Employees Only)	14,093	13,830	13,861	13,648	13,491	13,251	13,087	12,925	12,666	12,053	
Capitation Revenue (Priority add-on payment only)	\$6,295,161	\$6,266,947	\$6,198,732	\$18,700,590	\$6,105,090	\$6,037,438	\$5,910,872	\$5,859,003	\$5,786,920	\$5,671,052	
CMS 1450/1492 Payments by the Claims Processing System											
Inpatient - Maternity											
Inpatient - Newborn											
Inpatient - Medical											
Inpatient - Surgery											
Inpatient, Other											
Outpatient - Emergency Room											
Outpatient - Laboratory											
Outpatient - Radiology											
Outpatient - Surgery											
Outpatient - Other											
CMS 1560 Payments by the Claims Processing System											
Prof - E&M											
Prof - Maternity											
Prof - Surgery											
Prof - DME											
Prof - Lab											
Prof - Radiology											
Prof - Transportation											
Prof - Other											
Capitation Payments											
Subcontractor Payments for Medical Services											
Other Medical (Vision)											
Other Health (On behalf of Priority enrollees only)											
Inpatient Payments by the Claims Processing System											
Outpatient Payments by the Claims Processing System											
Supported Housing Payments by the Claims Processing System											
Intensive Outpatient Payments by the Claims Processing System											
Partial Hospitalization Payments by the Claims Processing System											
In Home Payments by the Claims Processing System											
Transportation Payments by the Claims Processing System											
Twenty-Five Hour Payments by the Claims Processing System											
CMHA Capitalization Payments											
Other Capitation Payments											
Grant Payments											
Non-FFS Inpatient											
Subcontractor Payments for Mental Health and Substance Abuse											
Crisis Services Team Pass Through											
Less:											
Recoveries not Reflected in Claims Payments											
Total Payments											
Remaining FBNP											
Penalties and Remaining IBNR											
Medical Loss Ratio											
Pen Member Expense											

Notes: CMS 1450/1492 includes revenue, membership, and medical expense for priority employees state only and judicial FBNP. This page does not include state only and judicial revenue.

Beginning February 2009, AverChoice membership and capitation revenue are reported as a related benefit as reflected on the \$20 payment file from April 2007 to current reporting month. Please note that MLR submissions prior to

February 2009 reflect the average monthly payment.

MLR submissions prior to February 2009 included a 90 day repayment of membership. Membership on this反映 has been restored back to April 2007.

Medical Loss Ratio Report - Priority Add-On Only
 Grand Region - Middle MCO

Americhoice	Reporting Month	2008	2009	For the Year
		Inurred Month	Inurred Month	Ended -
		July	August	June
Enrollment (For Priority Employees Only)	Jun-09	12,782	13,102	63,039
Capitation Revenue (Priority add-on payment only)		\$4,882,333	\$5,068,909	\$4,809,258
Payments for Covered Services for the Month				
Medical Services				
CMS 1450/LB 92 Payments by the Claims Processing System				
Inpatient - Maternity				
Inpatient - Newborn				
Inpatient - Medical				
Inpatient - Surgery				
Inpatient - Other				
Outpatient - Emergency Room				
Outpatient - Laboratory				
Outpatient - Radiology				
Outpatient - Surgery				
Outpatient - Other				
CMS 150 Payments by the Claims Processing System				
Prof - E&M				
Prof - Maternity				
Prof - Surgery				
Prof - DME				
Prof - Lab				
Prof - Radiology				
Prof - Transportation				
Prof - Other				
Capitation Payments				
Subcontractor Payments for Medical Services				
Other Medical (Vision)				
Behavioral Health (On behalf of Priority employees only)				
Inpatient Payments by the Claims Processing System	\$1,150,085	\$1,164,282	\$1,066,721	\$862,748
Outpatient Payments by the Claims Processing System	\$955,990	\$1,045,161	\$977,035	\$1,655,097
Supported Housing Payments by the Claims Processing System	\$22,591	\$22,1186	\$27,687	\$1,386,602
Intensive Outpatient Payments by the Claims Processing Sys	\$23,793	\$23,677	\$23,666	\$307,730
Partial Hospitalization Payments by the Claims Processing S	\$37,175	\$34,305	\$30,900	\$15,140
In Home Payments by the Claims Processing System	\$12,499	\$10,341	\$13,064	\$18,905
Transportation Payments by the Claims Processing System	\$6,456	\$8,709	\$6,906	\$13,443
Twenty Three Hour Payments by the Claims Processing Sys				
CMHA Capitation Payments	\$85,492	\$84,4888	\$85,832	\$106,443
Other Capitation Payments				
Grant Payments				
Non-FFS Impairment				
Subcontractor Payments for Mental Health and Substance A	\$1,731,870	\$1,751,059	\$1,892,270	\$1,829,811
Crisis Services Team Pass Through	\$2,18,30	\$219,412	\$217,246	\$226,952
Less:				
Recoveries not Reflected in Coverage Payment				
Total Payments	\$4,445,602	\$4,563,302	\$4,321,255	\$4,305,989
Remaining FNR	\$7,042	\$13,417	\$15,231	\$16,884
Payments and Remaining FNR	\$4,452,648	\$4,576,718	\$4,336,193	\$4,387,996
Medical Loss Ratio	91.20%	91.37%	95.67%	95.78%
Per Member Expense	\$348,351	\$349,31	\$327,60	\$341,52

5/1/2009

**Americhoice - Middle Tennessee
Reconciliation Between 2A and MLR Report
As of June 30, 2009**

	<u>Capitation Revenue</u>	<u>Revenue</u>
Revenue reported per MLR report		284,113,298
Restated revenue for prior months		5,283,788
		<u>289,397,086</u>
TennCare Capitation per 2A		289,397,086
Difference		(0)
	<u>Claims & Reserve</u>	<u>Claims</u>
Paid claims per the 2A		253,177,520
Change in IBNR		(12,048,015)
Total 2A Paid Claims and Change in Reserves		241,129,505
Incurred Claims per the MLR for the reporting period		257,541,081
Restated prior year incurred claims		(16,411,576)
Adjusted MLR		241,129,505
Difference		0